GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5979
ANSWERED ON:31.08.2001
NPA`S OF NON-BANKING FINANCIAL INSTITUTIONS
ANANTRAO GUDHE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have reviewed recently the position of NPA`sin respect of Non-banking Financial Institutions in the country;

(b) if so, the details thereof year-wise for the last three years with emerging trends;

(c) the details of plan of action suggested to deal with the problem effectively; and

(d) the follow up action taken/proposed in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b), (c) & (d) :The Reserve Bank of Indiahas been vested with the regulatory and supervisory powers in respect of Non-Banking Financial Companies through the Reserve Bank of India (Amendment) Act, 1997.

The Reserve Bank has been periodically (on half yearly basis) reviewing the position of NPAs in respect of NBFCs through control returns received from the deposit taking/holding NBFCs.The latest review pertained to March, 2001 in respect of71 NBFCs which showed that the NPA ratio had come down. The NPA ratios during the last three years are as under :-

(Rs. in crores)

	March,1999	March,2000	March,2001
Net NPA %	12.18 % (2740)	5.55 % (1228)	3.00 % (571)
Gross NPA %	12.68 % (2855)	11.00 % (2499)	4.00 % (643)

Figures in brackets are the amount of NPAs.

The NBFCs are advised by the Reserve Bank of India to recover the NPAs by taking effective steps and position is closely monitored by the Bank.